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FISCAL IMPACT STATEMENT

LS 6816

BILL NUMBER: HB 1100

NOTE PREPARED: Feb 13, 2007

BILL AMENDED: Feb 12, 2007

SUBJECT: Secure Rail Facilities.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill: (1) requires a railroad to submit a certain annual risk assessment and certain annual community protection plans to the Department of Homeland Security(DHS) and the Department of Transportation (INDOT), and specifies certain information to be contained in the assessment and plan; (2) prohibits a railroad from disciplining an employee who believes an assessment or a plan to be in error and has made a report of such belief to the DHS and the INDOT; (3) requires a railroad to provide security-threat training to its employees and to employees of contractors and subcontractors of the railroad; and (4) requires a contractor or a subcontractor of a railroad to secure a limited criminal history of a potential employee.

Effective Date: July 1, 2007.

Explanation of State Expenditures:(Revised) For the DHS and the INDOT, there may be expenditures associated with the receipt of the annual risk assessment and community protection plans and any investigations which may occur as a result of a report by a railroad employee who believes an error has been made in an assessment plan. Expenditures associated with the receipt of annual risk assessments by the railroads involved are expected to be minimal for the DHS and the INDOT. Investigations, however, may require additional resources, the amount of which are not quantifiable. The funds affected are the state General Fund for the DHS and the State Highway Fund for the INDOT.

Background Information: According to the American Association of Railroads, there are seven first class railroads in Indiana who would be affected by this proposal.

Explanation of State Revenues: (Revised) *Penalty Provision:* The bill provides for a Class A misdemeanor for a knowing and intentional violation of the employee discipline provision by a railroad, contractor, or

subcontractor of a railroad. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), the judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: Department of Transportation; Department of Homeland Security; State Police.

Local Agencies Affected: Local law enforcement agencies Trial courts, local law enforcement agencies.

Information Sources: Andy Hedges, Attorney for LSA, 317-232-9558; *Railroad Facts for 2005*, American Association of Railroads, 30 F Street, Washington, D.C., 202-639-2102.

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